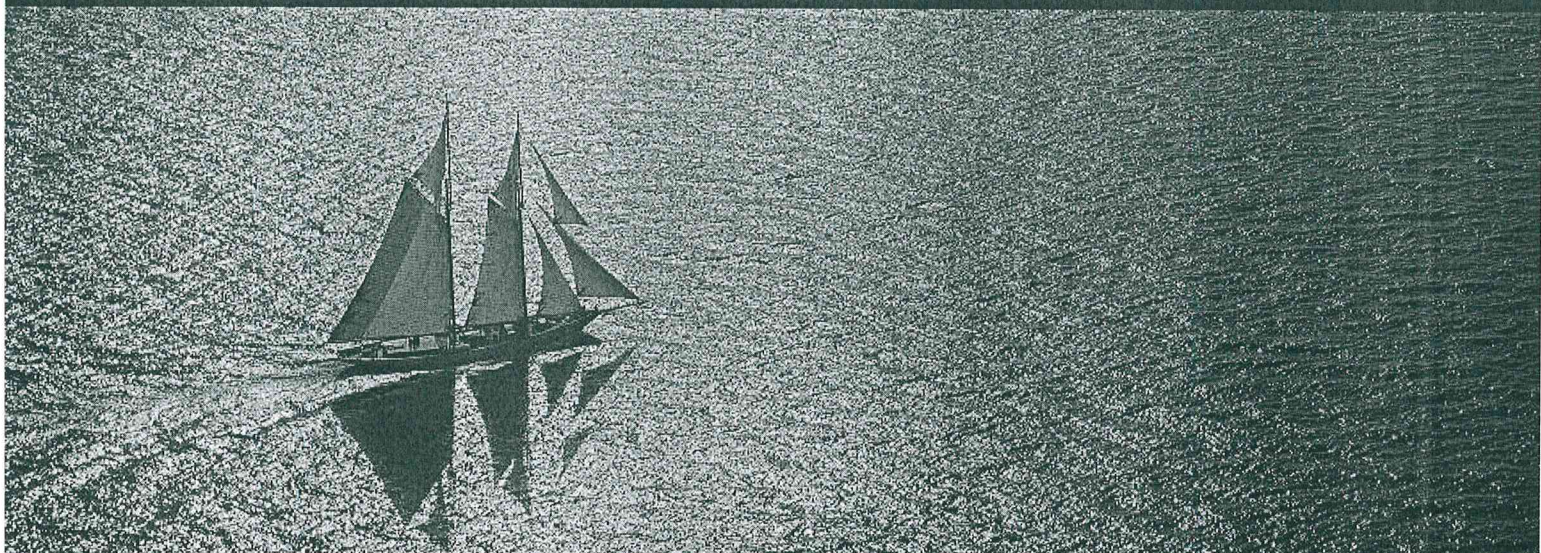


**FCS**

**Funds &  
Capital Solutions**

**FCS Asset Management**  
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**FCS Global Funds SICAV p.l.c.**

**Interim Report and Financial Statements  
for period ended 30 June 2017**

**MALTA**

**LUXEMBOURG**

**SPAIN**



# FCS Global Funds SICAV p.l.c.

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# FCS Global Funds SICAV p.l.c.

## Manager's Report

<b>Directors:</b>	Mr. Javier Agurruza Taberna (deceased 18 November 2017) Dr. Angelo Micallef (resigned 9 June 2016) Mr. Jaime Agurruza Fatosme Mr. Neal Rossignaud (appointed 6 February 2017) Mr. Jean Borg (external director) (appointed 7 April 2017)
<b>Investment manager:</b>	FCS Asset Management Ltd. 102/1, Sandra Flats, Windsor Terrace, Sliema SLM 1858, Malta
<b>Company secretary:</b>	LGA International Ltd. 102/1, Sandra Flats, Windsor Terrace, Sliema SLM 1858, Malta
<b>Registered office:</b>	102/1, Sandra Flats, Windsor Terrace, Sliema SLM 1858, Malta
<b>Company registration number:</b>	SV224
<b>Administrator:</b>	FCS Asset Management Ltd. 102/1, Sandra Flats, Windsor Terrace, Sliema SLM 1858, Malta
<b>Custodian:</b>	Sparkasse Bank Malta p.l.c. 101, Townsquare, Ix-Xatt ta' Qui-si-Sana, Sliema, SLM 3112, Malta
<b>Legal advisors:</b>	Legal Global Advisors Po Castellana, 259 C, Planta 18, Edificio Torre de Cristal, 28046 Madrid, Spain
<b>Independent auditors:</b>	Ernst & Young Malta Ltd. Regional Business Centre, Achille Ferris Street, Msida, MSD 1751, Malta

# FCS Global Funds SICAV p.l.c.

## Manager's Report

### Market Overview

During the first six months of 2017, at a macroeconomic level, the improvement of the economic cycle continued. It is reflected not only in the backward indicators (GDP and employment) but also in some advanced indicators (PMIs, confidence indexes, ISMs, etc.)

In relation to business earnings, the first quarter results known during the second quarter, were positive overall and exceeded expectations. Specifically, if we look at the US, the average EPS (Earnings per share) growth was + 15% (vs. + 9.7% expected). If we focus on Europe in relation to Stoxx600 the growth was + 15.3% (vs. + 7.8% predicted).

Regarding to the behaviour of the stock indices during the first six months: EuroStoxx-50 + 4.60% (-1.69% second quarter); DAX + 7.35% (+ 0.10% second quarter), IBEX + 11.68% (-0.18% second quarter) and S & P 500 + 4.60% (+ 2.57% second quarter).

With the price of raw materials, we saw a particular fall in hard commodities or raw materials extracted from mining, in addition to watching declines in energy products mainly oil and gas. We have, in the first case, a drop in demand from China that penalized the price of steel. Regarding crude, we saw that despite the renewal of the production cutback by the producing countries (OPEC and non-OPEC) until March 2018 (compared to December 2017 initially agreed) the price of oil continued to decline.

From the point of view of political risk, we observed how they clarified various political uncertainties that we pointed to at the end of last year. In particular, the French (Prime Minister and Chambers) and the United Kingdom' election. We have pending the Germans for the remainder of 2017 and the Italians in 2018.

Regarding fixed income, we saw how the Fed has continued with the established rate of interest rate hikes (+ 0.25% in June) but perhaps the most important, on the one hand, was the drop in inflation expectations (particularly in medium and long terms) and the words of Draghi at a conference of central bankers in Portugal, whose improvement in growth expectations revalued the Euro against the Dollar and the increase of yields in the European bonds.

### Manager's approach to markets in 2017

The volatility reduction from last quarter (contrary of what happen in previous months) reduced the opportunities to find excellent companies with buy-in good prices. Our absolute return philosophy coupled with our value investment approach is productive when moments of panic and uncertainty appear in the market. We will continue to keep vigilant and prepared as we anticipate uncertainty to return in the markets and we will be again in a position to take advantage of the irrationality of the market.

We remind to our clients when we invest we must do it with a business vision. Our time horizon should always be the long term aligning our interests to the management team that looks for the interest of its shareholders and the good future of the company itself. We must feel ownership (our investors obviously) of a part of the capital of said company. And therefore, it takes a prudent time to benefit from the creation of value of the company.

Regarding our approach to portfolio management, we followed our Investment policy of not following benchmarks or trends of any kind and only buying assets and securities that we believed were cheap or inexpensive both from historical and relative value comparison.

Our strategy has continued to be defensive, with a low exposure to market changes, diversifying conveniently through different asset classes and looking for our main goal, capital preservation.



# FCS Global Funds SICAV p.l.c.

## *Manager's Report*

### **The Investment objective for FCS World Equities Fund:**

The performance of the FCS World Equities Fund during the first half of 2017 was positive (+5.59%). The benchmark (MSCI All Country World Index) went up too (+10.25% in dollars {+1.89% in Euros} - mainly driven by large equity stocks). We remind our investors that our strong position in defensive asset classes like gold companies and undervalued stocks affected us when the market rocketed based on large capitalization companies. We remind our investors that thanks to our flexibility and independency on taking investment decisions, this will allow us to continue adding alpha to our portfolios.

Moreover, in spite of the volatility decreased during last quarter we must be cautious and continue finding more opportunities with attractive valuations of good business which can be incorporated into the portfolio at very good prices.

### **Risk management compliance of the FCS Global Funds SICAV p.l.c.'s Funds**

The Funds of the FCS Global Funds SICAV p. l. c. strictly followed its risk management methodology under the 'commitment approach' and complied with the UCITS 'investment restrictions' and UCITS permitted investment instruments requirements. The SICAV's risk management procedures were strictly followed during the first six months of 2017.



**Ms. Eliza Montebello**  
**Managing Director**



## FCS Global Funds SICAV p.l.c.

### *Company information and salient statistics*

FCS Global Funds SICAV p.l.c. ('the Company') is organised under the laws of Malta as a multi-fund investment company with variable share capital (SICAV) pursuant to the Maltese Companies Act 1995 (Chap. 386) and qualifying as a Maltese UCITS. The Company was registered on 20 April 2012 with registration number SV224 and consists of two classes: the Subscriber shares and the Investor shares, hereinafter referred to as 'redeemable shares'.

The Company is structured as a multi-fund (umbrella) company, which may issue separate classes of groups of classes of redeemable shares constituting distinct Funds ('the Funds'), with the assets and liabilities of each Fund constituting separate patrimonies pursuant to the Companies Act (Investment Companies with Variable Share Capital) Regulations (Legal Notice 241 of 2006 as amended).

As at 31 December 2014, the Scheme had launched two Funds namely FCS Navigator Fund and FCS World Equities Fund. As per Board of Director's Resolution dated 20 September 2016, it was resolved that the license of the FCS Navigator Fund would be temporary suspended. On 11 July 2017, the licence of FCS Navigator Fund was officially suspended.

The Company has no employees.

#### **Net Asset Value per investor share**

The Net Asset Value per share is determined by dividing the net asset value of investor shares by the shares in issue at the reporting date 30 June 2017.

	<b>FCS Navigator Fund June 2017 Class 1 Investor Shares</b>	<b>FCS World Equities Fund June 2017 Class 1 Investor Shares</b>
Investor shares in issue as at the end of the period	-	<b>45,561.375</b>
Net asset value of investor shares as at end of financial period (valued in accordance with the offering memorandum)	-	<b>€ 3,857,350</b>
Net asset value per share as at the end of the period	-	<b>€ 84.66</b>
Percentage movement for the period	-	<b>5.14%</b>
Highest price during the period	-	<b>€ 85.66</b>
Lowest price during the period	-	<b>€ 80.17</b>



# **FCS Global Funds SICAV p.l.c.**

## ***Director's Report***

The Directors present their interim report and financial statements of FCS Global funds SICAV p.l.c. for the reporting period ended 30 June 2017.

### **Principal activities**

The Company is an investment company with variable share capital incorporated in terms of the Companies Act (Chapter 386 of the Laws of Malta) on the 20 April 2012 and is licenced by the Malta Financial Services Authority as a collective investment scheme and qualifies as a 'Maltese UCITS'. The Company is structured as a multi-fund (umbrella) company and the Funds established under the umbrella company as at the reporting date are FCS Navigator Fund and FCS World Equities Fund. As per Board of Director's Resolution dated 20 September 2016, it was resolved that the license of the FCS Navigator Fund would be temporary suspended.

The Funds aim to be capital growth funds by investing in a wide range of actively managed assets.

FCS Navigator Fund and FCS World Equities Fund are a global asset allocation fund with no particular regional focus.

### **Performance review**

As at 30 June 2017, the Net Asset Value stood at €3,857,350. At this date, the Net Asset Value per share for pricing purposes stood at €84.66 for FCS World Equities Fund's Class 1 investor shares which represents an increase of 5.14% from 30 December 2016. On 10 August 2016, the directors of the Company requested temporary suspension of the licence of the FCS Navigator Fund due to a redemption by the investors of the Fund and on 11 July 2017 the Authority accepted the request for the surrender of licence of FCS Navigator Fund.

### **Directors**

The Directors who held office during the reporting period were as listed on page 3.

### **Statement of Directors' responsibility for the financial statements**

The Directors are required by the Companies Act, 1995 to prepare financial statements that give a true and fair view of the state of affairs of the Company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the Directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern.

The Directors are also responsible for designing, implementing and maintaining internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Companies Act, 1995. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **FCS Global Funds SICAV p.l.c.**

### ***Director's Report (continued)***

The Directors are responsible for ensuring that this report is available to the Company's investors. The financial statements of FCS Global Funds SICAV p.l.c. for the period ended 30 June 2017 are included in this report, which is published in hard-copy printed form and may be made available on the Investment Manager's website. Access to information published on the Investment Manager's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

#### **Standard license conditions and regulatory sanctions**

During the current year, there were no breaches to the Company's standard license conditions and no regulatory sanctions were imposed on the Company. The Directors refer to the additional disclosures in the Manager's Report.

We the undersigned, are responsible for the preparation of the Interim Report of FCS Global Funds SICAV p.l.c. for the period ended 30 June 2017 and confirm that to the best of our knowledge:

- it is complete and accurate in all material respects and conforms with the MFSA's requirements in terms of the Scheme's Licence Conditions; and
- any disclosures of the Scheme's past performance are accurate and in conformity with the MFSA's applicable requirements.



**Mr. Neal Rossignaud**  
Director



**Mr. Jaime Agurruza Fatosme**  
Director

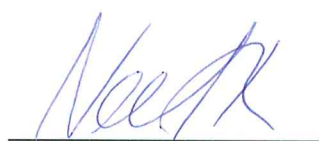


# FCS Global Funds SICAV p.l.c.

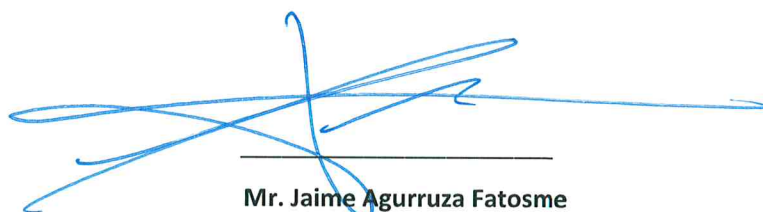
## Statement of Financial Position for period ended 30 June 2017

		FCS Global Funds SICAV p.l.c.	FCS Navigator Fund	FCS World Equities Fund
		June 2017	June 2017	June 2017
	Notes	€	€	€
<b>Assets</b>				
Financial assets at fair value through profit and loss	4	2,057,895	-	2,057,895
Accrued income and other receivables		12,199	-	12,199
Prepaid expenses		186,401	-	186,401
Cash and cash equivalents	5	1,613,590	-	1,613,590
<b>Total assets</b>		<b>3,870,085</b>	<b>-</b>	<b>3,870,085</b>
<b>Liabilities</b>				
Accounts payable and accruals		12,735	-	12,735
<b>Liabilities (excluding net assets attributable to holders of redeemable shares)</b>		<b>12,735</b>	<b>-</b>	<b>12,735</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>3,857,350</b>	<b>-</b>	<b>3,857,350</b>
<b>Represented by:</b>				
Net assets attributable to holders of redeemable shares (values in accordance with the Offering Memorandum)		3,857,350	-	3,857,350

The financial statements on pages 9 to 11 were approved and signed by the board of Directors on 2 August 2017.



**Mr. Neal Rossignaud**  
Director



**Mr. Jaime Agurruza Fatosme**  
Director

The notes on pages 12 to 23 are an integral part of these financial statements.

# FCS Global Funds SICAV p.l.c.

## *Statement of Changes in Net Assets attributable to holders of redeemable shares for period ended 30 June 2017*

	FCS Global Funds SICAV p.l.c.	FCS Navigator Fund	FCS World Equities Fund
	<i>January 2017 to June 2017</i>	<i>January 2017 to June 2017</i>	<i>January 2017 to June 2017</i>
	€	€	€
Balance at the beginning of the period	<u>4,671,319</u>	<u>-</u>	<u>4,671,319</u>
Issue of redeemable shares during the period	-	-	-
Redemption of redeemable shares during the period	<u>(1,065,867)</u>	<u>-</u>	<u>(1,065,867)</u>
<b>Net decrease from share transactions</b>	<u>(1,065,857)</u>	<u>-</u>	<u>(1,065,857)</u>
 <b>Total comprehensive profit</b>	 <u>251,898</u>	 <u>-</u>	 <u>251,898</u>
 <b>Net assets attributable to holders of redeemable shares for the period (valued in accordance with the Offering Memorandum)</b>	 <u>3,857,350</u>	 <u>-</u>	 <u>3,857,350</u>

*The notes on pages 12 to 23 are an integral part of these financial statements.*



# FCS Global Funds SICAV p.l.c.

## Statement of Comprehensive Income for period ended 30 June 2017

	FCS Global Funds SICAV p.l.c.	FCS Navigator Fund	FCS World Equities Fund
	<i>January 2017</i>	<i>January 2017</i>	<i>January</i>
	<i>to</i>	<i>to</i>	<i>2017</i>
	<i>June 2017</i>	<i>June 2017</i>	<i>June 2017</i>
Notes	€	€	€
<b>Income</b>			
Net foreign currency gain on cash and cash equivalents	(3,481)	-	(3,481)
Dividend income	53,861	-	53,861
Net changes in fair value on financial assets and financial liabilities at fair value through profit or loss	290,551	-	290,551
<b>Total net income</b>	<b>340,931</b>	<b>-</b>	<b>340,931</b>
<b>Expenses</b>			
Management fees	(33,299)	-	(33,299)
Administration and custody fees	(23,402)	-	(23,402)
Transaction costs	(19,996)	-	(19,996)
Directors' fees	(2,967)	-	(2,967)
Other operating expenses	(9,369)	-	(9,369)
<b>Total operating expenses</b>	<b>(89,033)</b>	<b>-</b>	<b>(89,033)</b>
<b>Increase in net assets attributable to holders of redeemable shares</b>	<b>251,898</b>	<b>-</b>	<b>251,898</b>
<b>Total comprehensive profit</b>	<b>251,898</b>	<b>-</b>	<b>251,898</b>

The notes on pages 12 to 23 are an integral part of these financial statements.

# **FCS Global Funds SICAV p.l.c.**

## ***Notes to the financial statements***

### **1. Reporting entity**

The Company is an investment company with variable share capital and is licensed as a collective investment scheme qualifying as a 'Maltese UCITS'. The Company is structured as a multi-fund (umbrella) company and the Funds established under the umbrella company as at reporting date are FCS Navigator Fund and FCS World Equities Fund. The Company was incorporated on 20 April 2012. On 10 August 2016, the directors of the Company requested temporary suspension of the licence of the FCS Navigator Fund due to a redemption by the investors of the Fund and on 11 July 2017 the Authority accepted the request for the surrender of licence of FCS Navigator Fund.

### **2. Summary of significant accounting policies**

#### **2.1 Basis of preparation**

##### **Standards, interpretations and amendments to published standards as endorsed by the European Union effective in the current year**

The accounting policies are consistent with those of the previous financial year, except for the adoption of Annual Improvements to IFRSs 2011 – 2013 Cycle effective as of 1 January 2015.

The Annual Improvements to IFRSs 2011 – 2013 Cycle issued by IASB is a collection of amendments to IFRSs. This included improvements to IFRS 13 Fair Value Measurement which clarify that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

The adoption of these standards, interpretations and amendments did not have a significant impact on the financial statements of the Company.

##### **Standards, interpretations and amendments to published standards that are not yet effective**

- Up to the date of approval of these financial statements, certain new standards, amendments and interpretations to exist IAS 16 and IAS 38 - Clarification of acceptable methods of depreciation (effective for financial years on or after 1 January 2016)
- IFRS 11 (Amendments) Accounting for acquisitions of interests in joint operations (effective for financial years on or after 1 January 2016)
- IAS 27 (Amendments) - Equity method in separate financial statements (effective for financial years on or after 1 January 2016)
- IAS 16 and IAS 41 - Bearer Plants (effective for financial years on or after 1 January 2016)
- Annual Improvements to IFRSs 2012-2014 Cycle (effective for financial years on or after 1 January 2016)
- IAS 1 (Amendments) Disclosure initiative (effective for financial years beginning 1 January 2016)



# FCS Global Funds SICAV p.l.c.

## Notes to the financial statements

### 2. Summary of significant accounting policies (*continued*)

#### 2.1 Basis of preparation (*continued*)

##### **Standards, interpretations and amendments to published standards that are not yet effective (*continued*)**

IAS 1 (Amendments) Disclosure initiative, the amendments to IAS 1 are designed to encourage companies to apply professional judgment in determining what information to disclose in their financial statements. The amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures. The amendments to IAS 1 can be applied immediately, and become mandatory for annual periods beginning on or after 1 January 2016. The Company will assess the effect that the standard will have on the financial statements in due course.

##### **Standards, interpretations and amendments that are not yet endorsed by the European Union**

- IFRS 9 - Financial instruments (effective for financial years beginning on or after 1 January 2018)
- IFRS 14 - Regulatory deferral accounts (effective for financial years beginning on or after 1 January 2016)
- IFRS 15 - Revenue from contracts with customers (effective for financial years beginning on or after 1 January 2018)
- IFRS 16 – Leases (issued on 3 January 2016 and effective 1 January 2019)
- IFRS 10, IFRS 12 and IAS 28 (Amendments) Investment Entities: Applying the consolidation exception (effective for financial years beginning 1 January 2016)
- IFRS 10 and IAS 28 (Amendments) Sale or contributions of assets between an investor and its associate or joint venture (effective for financial years beginning 1 January 2016)
- IAS 12 (amendments) – Recognition of deferred tax assets for unreleased losses (effective 1 January 2017)
- IAS 7 (amendments) – Disclosure initiative (effective 1 January 2017)

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the use of certain accounting estimates. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies (see Note 4 – Significant accounting judgements, estimates and assumptions).

##### *Standards, interpretations and amendments to published standards that are effective during the year*

##### *Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32*

These amendments clarify the meaning of currently has a legally enforceable right to set-off. The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. This standard has not yet been endorsed by the EU. The amendment did not impact the Fund's financial position or performance.

# FCS Global Funds SICAV p.l.c.

## Notes to the financial statements

### 2. Summary of significant accounting policies (*continued*)

#### 2.1 Basis of preparation (*continued*)

*Standards, interpretations and amendments to published standards that are not yet effective*

##### *IFRS 9 - Financial Instruments*

IFRS 9, 'Financial instruments', addresses the classification and measurement of financial assets, and replaces the multiple classification and measurement tools in IAS 39 with a single model that only has two classification categories: amortised cost and fair value. Classification under IFRS 9 will be driven by the entity's business model for managing the financial assets and the contractual characteristics of the financial assets.

The November 2013 amendments (i) bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements; (ii) allow the changes to address the so-called 'own credit' issue that were already included in IFRS 9 to be applied in isolation without the need to change any other accounting for financial instruments; and (iii) remove the 1 January 2015 mandatory effective date of IFRS 9, to provide sufficient time for preparers of financial statements to make the transition to the new requirements. During a further meeting held by the IASB on 20 February 2014, the IASB decided that the effective date for IFRS 9 shall be 1 January 2018.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

The Company has not early adopted any standard, interpretation or amendment to any published standard.

#### 2.2 Functional and presentation currency

The Company's functional currency is the euro, which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in euros. Therefore, the euro is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The fund's presentation currency is also the euro.

#### 2.3 Foreign currency translations

Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.



# FCS Global Funds SICAV p.l.c.

## Notes to the financial statements

### 2. Summary of significant accounting policies (continued)

#### 2.3 Foreign currency translations (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency transaction gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within 'net foreign currency losses on cash and cash equivalents'. Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in profit or loss in the statement of comprehensive income within 'net gain or loss on financial assets and liabilities at fair value through profit or loss'.

#### 2.4 Financial assets and liabilities

##### Financial assets and liabilities at fair value through profit or loss

###### Classification

The Company classifies its financial assets and financial liabilities at initial recognition into the following categories, in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

###### *(i) Financial assets and liabilities at fair value through profit or loss*

The category of financial assets and liabilities at fair value through the profit or loss is sub-divided into:

*Financial assets and liabilities held for trading:* financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. This category includes equities, debentures and other interest bearing investments and derivatives.

These assets are acquired principally for the purpose of generating a profit from short-term fluctuations in price. All derivatives, debentures and liabilities from short sales of financial instruments are classified as held for trading. The Fund's policy is not to apply hedge accounting.

*Financial instruments designated as at fair value through profit or loss upon initial recognition:* these include redeemable shares of the Fund.

###### *(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund includes in this category short-term receivables.

# FCS Global Funds SICAV p.l.c.

## Notes to the financial statements

### 2. Summary of significant accounting policies (continued)

#### 2.4 Financial assets and liabilities (continued)

##### Recognition and measurement

The Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

Loans and receivables and financial liabilities (other than those classified as held for trading) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

After initial measurement, the Fund measures financial instruments which are classified as at fair value through profit or loss, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at fair value through profit or loss. Interest and dividend earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense.

Loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at fair value through profit or loss, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

##### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired or the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either:

- (a) the Fund has transferred substantially all the risks and rewards of the asset, or
- (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



# **FCS Global Funds SICAV p.l.c.**

## ***Notes to the financial statements***

### **2. Summary of significant accounting policies (continued)**

#### **2.4 Financial assets and liabilities (continued)**

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

#### **2.5 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **2.6 Cash and cash equivalents**

Cash and cash equivalents include deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less.

#### **2.7 Fair value measurement**

The Fund measures its investments in financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at each reporting date. The quoted market price used at mid-value of last traded price for financial instruments.

# FCS Global Funds SICAV p.l.c.

## Notes to the financial statements

### 2. Summary of significant accounting policies (continued)

#### 2.7 Fair value measurement (continued)

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

#### 2.8 Accrued income and prepaid expenses

Accrued income and prepaid expenses represent amounts receivable and paid in advance, for transactions whose economic benefit is not fully accounted for by the end of the year. The receivable amounts are initially recognised at fair value and subsequently measured at amortised cost less any provision for impairment. A provision for impairment of amounts due is established when there is an objective evidence that the Company will not be able to collect all amounts due.

#### 2.9 Amounts due to and due from brokers

Amounts due to brokers are payables for securities purchased (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to the accounting policy for financial liabilities, other than those classified as at fair value through profit or loss, for recognition and measurement.

Amounts due from brokers include receivables for securities sold (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to the accounting policy for loans and receivables for recognition and measurement.

#### 2.10 Redeemable shares

The Fund issues redeemable shares which are redeemable at the holders' option and are classified as a financial liability. Redeemable shares can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value.

The redeemable shares are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the share back to the Fund. Redeemable shares are issued and redeemed at the holder's option at prices based on the Fund's net asset value per share at the time of issue or redemption. The Fund's net asset value per share is calculated by dividing the net assets attributable to the holders of each redeemable share with the total number of outstanding redeemable shares.

#### 2.11 Accounts payable and accruals

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

# **FCS Global Funds SICAV p.l.c.**

## ***Notes to the financial statements***

### **2. Summary of significant accounting policies (*continued*)**

#### **2.12 Interest revenue and expense**

Interest revenue and expense are recognised in the statement of comprehensive income for all interest-bearing financial instruments using the effective interest method.

#### **2.13 Dividend revenue and expense**

Dividend revenue is recognised on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Fund's right to receive the payment is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income. Dividend expense relating to equity securities sold short is recognised when the shareholders' right to receive the payment is established.

#### **2.14 Net gain or loss on financial assets and liabilities at fair value through profit or loss**

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at fair value through profit or loss and excludes interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the year and from reversal of prior year's unrealised gains and losses for financial instruments which were realised in the reporting year.

Realised gains and losses on disposals of financial instruments classified as at fair value through profit or loss are calculated using the first-in, first-out (FIFO) method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

#### **2.15 Transaction costs**

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

### **3. Significant accounting judgements, estimates and assumptions**

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These estimates and assumptions are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.



# FCS Global Funds SICAV p.l.c.

## Notes to the financial statements

### 3. Significant accounting judgements, estimates and assumptions (continued)

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

### 4. Financial assets/liabilities at fair value through profit or loss

	FCS Navigator Fund	FCS Navigator Fund	FCS World Equities Fund	FCS World Equities Fund
	June 2017 Market Value	June 2017 % of net assets	June 2017 Market Value	June 2017 % of net assets
	€		€	
<b>Financial assets designated at fair value through profit or loss at inception</b>				
Equity securities	-	-	2,057,895	53.35%

#### 4.1 Net gains and losses on financial instruments at fair value through profit or loss

For the period ended 30 June 2017, the gains and (losses) on financial instruments at fair value through profit or loss consist of the following:

	FCS Navigator Fund June 2017 €	FCS World Equities Fund June 2017 €
<b>Designated at fair value through profit or (loss)</b>		
Realised	-	326,257
Unrealised	-	(39,187)
<b>Net changes in fair value</b>	<b>-</b>	<b>287,070</b>

# FCS Global Funds SICAV p.l.c.

## Notes to the financial statements

### 5. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following bank balances:

	FCS Navigator Fund June 2017	FCS Navigator Fund June 2017 % of net assets	FCS World Equities Fund June 2017	FCS World Equities Fund June 2017 % of net assets
	€		€	
Cash at bank	-	-	1,613,590	41.83%
Financial assets at fair value through profit or loss	-	-	1,613,590	41.83%

### 6. Share capital and redeemable shares

All issued redeemable shares are fully paid. The Company's capital is represented by these redeemable shares with no par value and with no voting rights. They are entitled to payment of a proportionate share based on the respective Fund's net asset value per share on the redemption date. The Company has no restrictions or specific capital requirements on the redemptions of shares. The relevant movements are shown on the statement of changes in net assets attributable to holders of redeemable shares. The Funds endeavor to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of listed securities where necessary.

#### Authorised

The authorised share capital of the Company is 10,000,000,000 shares with no nominal value and which can be issued as shares of different classes. As at 30 June 2017, the Company has issued two classes of shares, being the "Class 'A' Subscriber Shares" and the "Class 'I' Investor shares".

#### Class 'A' Subscriber Shares

The Company has issued 100 voting shares of €1 each, fully paid and are held by:

FCS Group Ltd.	-	99 Class 'A' Subscriber shares
Mr Daniel Alonso-Pulpon Nunez	-	1 Class 'A' Subscriber shares

The subscriber shares do not form part of the net asset value of the Company. In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an investment Company.

#### Investor shares

The net assets attributable to holders of redeemable shares are at all times equal to the net asset value of the Company. Net assets attributable to a shareholder represent a liability in the Statement of Financial Position, and are carried at their fair value as at the Company's reporting date. Investor shares do not carry any voting rights.

# FCS Global Funds SICAV p.l.c.

## Notes to the financial statements

### 6. Share capital and redeemable shares *(continued)*

The following table shows the movements during the period ended 30 June 2017:

	FCS Navigator Fund	FCS World Equities Fund
	Class 1 Investor shares June 2017	Class 1 Investor shares June 2017
Balance at the beginning of the period	-	58,261.375
Creation of units	-	-
Redemption of units	-	(12,700.000)
Number of units at the end of the period	-	45,561.375



# FCS Global Funds SICAV p.l.c.

## Notes to the financial statements

### 7. Portfolio

#### FCS World Equities Fund

Description	Holding	CRY	Market price as at 30 June 2017
<b>Equity securities</b>			
OZ MINERALS LTD - OZL ASX	12500	AUD	7.41
NOVO NORDISK A/S-B - NOVOB CSED	2880	DKK	278.80
AUFEMININ - FEM PAR	4000	EUR	27.64
BARON DE LEY - BDL SM	750	EUR	113.00
BAYERISCHE MOTOREN WERKE AG - BMW ETR	1000	EUR	81.28
CORTICEIRA AMORIM SA - COR LIS	4800	EUR	12.86
CTT-CORREIOS DE PORTUGAL - CTT LIS	22000	EUR	5.54
DISTRIBUIDORA INTERNACIONAL - DIA SM	13500	EUR	5.45
EBRO FOODS SA - EBRO SM	4900	EUR	20.00
ENCE ENERGIA Y CELULOSA SA - ENC SM	13000	EUR	3.59
EVONIK INDUSTRIES AG - EVK ETR	1700	EUR	27.99
FLEURY MICHON SA - FLE PAR	1700	EUR	51.98
HORNBACH BAUMARKT AG - HBM ETR	2600	EUR	31.60
IBERPAPEL - IBG SM	1750	EUR	30.01
MARR SPA - MARR MIL	1000	EUR	20.81
MERLIN PROPERTIES SOCIMI SA - MRL SM	2350	EUR	11.06
MIQUEL Y COSTAS - MCM SM	1700	EUR	32.00
PAPELES Y CARTONES DE EUROPA - PAC SM	5880	EUR	7.50
TALGO SA - TLGO SM	24000	EUR	5.29
TECNICAS REUNIDAS SA - TRE MCE	2910	EUR	33.87
VISCOFAN SA - VIS SM	1500	EUR	51.80
ROTORK PLC - ROR LSE	15900	GBP	2.35
LEROEY SEAFOOD GROUP ASA - LSG OSL	6800	NOK	45.35
TGS NOPEC GEOPHYSICAL CO ASA - TGS OSL	2000	NOK	171.10
CHIPOTLE MEXICAN GRILL INC - CMG US	100	USD	416.10
GILEAD SCIENCES INC - GILD US US	2880	USD	70.78
NEVSUN RESOURCES LTD - NSU US US	55000	USD	2.41
NEWMONT MINING CORP - NEM US US	1700	USD	32.39

## FCS Global Funds SICAV p.l.c.

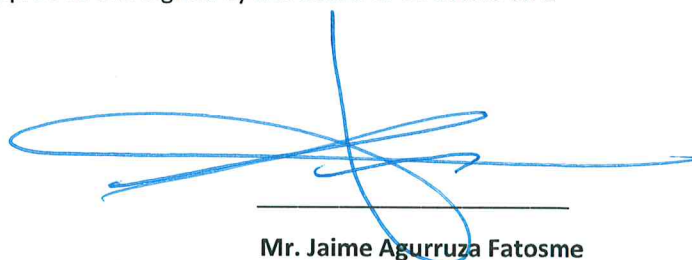
### Statement of Financial Position for period ended 30 June 2017

		FCS Global Funds SICAV p.l.c.	FCS Navigator Fund	FCS World Equities Fund
		June 2017	June 2017	June 2017
	Notes	€	€	€
<b>Assets</b>				
Financial assets at fair value through profit and loss	4	2,057,895	-	2,057,895
Accrued income and other receivables		12,199	-	12,199
Prepaid expenses		186,401	-	186,401
Cash and cash equivalents	5	1,613,590	-	1,613,590
<b>Total assets</b>		<b>3,870,085</b>	<b>-</b>	<b>3,870,085</b>
<b>Liabilities</b>				
Accounts payable and accruals		12,735	-	12,735
<b>Liabilities (excluding net assets attributable to holders of redeemable shares)</b>		<b>12,735</b>	<b>-</b>	<b>12,735</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>3,857,350</b>	<b>-</b>	<b>3,857,350</b>
<b>Represented by:</b>				
Net assets attributable to holders of redeemable shares (values in accordance with the Offering Memorandum)		3,857,350	-	3,857,350

The financial statements on pages 9 to 11 were approved and signed by the board of Directors on 2 August 2017.



**Mr. Neal Rossignaud**  
Director



**Mr. Jaime Agurruza Fatosme**  
Director

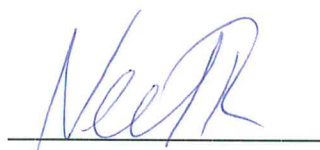
The notes on pages 12 to 23 are an integral part of these financial statements.

# FCS Global Funds SICAV p.l.c.

## Statement of Financial Position for period ended 30 June 2017

		FCS Global Funds SICAV p.l.c.	FCS Navigator Fund	FCS World Equities Fund
		June 2017	June 2017	June 2017
	Notes	€	€	€
<b>Assets</b>				
Financial assets at fair value through profit and loss	4	2,057,895	-	2,057,895
Accrued income and other receivables		12,199	-	12,199
Prepaid expenses		186,401	-	186,401
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Accounts payable and accruals		12,735	-	12,735
<b>Liabilities (excluding net assets attributable to holders of redeemable shares)</b>		<b>12,735</b>	<b>-</b>	<b>12,735</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>3,857,350</b>	<b>-</b>	<b>3,857,350</b>
<b>Represented by:</b>				
Net assets attributable to holders of redeemable shares (values in accordance with the Offering Memorandum)		3,857,350	-	3,857,350

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Director



**Mr. Jaime Agurruza Fatosme**  
Director

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# FCS Global Funds SICAV p.l.c.


## Statement of Financial Position for period ended 30 June 2017

		FCS Global Funds SICAV p.l.c.	FCS Navigator Fund	FCS World Equities Fund
		June 2017	June 2017	June 2017
	Notes	€	€	€
<b>Assets</b>				
Financial assets at fair value through profit and loss	4	2,057,895	-	2,057,895
Accrued income and other receivables		12,199	-	12,199
Prepaid expenses		186,401	-	186,401
Cash and cash equivalents	5	1,613,590	-	1,613,590
<b>Total assets</b>		<b>3,870,085</b>	<b>-</b>	<b>3,870,085</b>
<b>Liabilities</b>				
Accounts payable and accruals		12,735	-	12,735
<b>Liabilities (excluding net assets attributable to holders of redeemable shares)</b>		<b>12,735</b>	<b>-</b>	<b>12,735</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>3,857,350</b>	<b>-</b>	<b>3,857,350</b>
<b>Represented by:</b>				
Net assets attributable to holders of redeemable shares (values in accordance with the Offering Memorandum)		3,857,350	-	3,857,350

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**Mr. Neal Rossignaud**  
Director



**Mr. Jaime Agurruza Fatosme**  
Director

The notes on pages 12 to 23 are an integral part of these financial statements.

## **FCS Global Funds SICAV p.l.c.**

### ***Director's Report (continued)***

The Directors are responsible for ensuring that this report is available to the Company's investors. The financial statements of FCS Global Funds SICAV p.l.c. for the period ended 30 June 2017 are included in this report, which is published in hard-copy printed form and may be made available on the Investment Manager's website. Access to information published on the Investment Manager's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

#### **Standard license conditions and regulatory sanctions**


During the current year, there were no breaches to the Company's standard license conditions and no regulatory sanctions were imposed on the Company. The Directors refer to the additional disclosures in the Manager's Report.

We the undersigned, are responsible for the preparation of the Interim Report of FCS Global Funds SICAV p.l.c. for the period ended 30 June 2017 and confirm that to the best of our knowledge:

- it is complete and accurate in all material respects and conforms with the MFSA's requirements in terms of the Scheme's Licence Conditions; and
- any disclosures of the Scheme's past performance are accurate and in conformity with the MFSA's applicable requirements.



**Mr. Neal Rossignaud**  
Director



**Mr. Jaime Agurruza Fatosme**  
Director

## **FCS Global Funds SICAV p.l.c.**

### ***Director's Report (continued)***

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#### **Standard license conditions and regulatory sanctions**

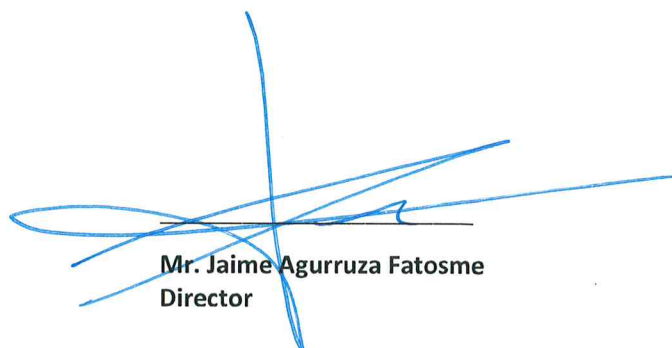
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- any disclosures of the Scheme's past performance are accurate and in conformity with the MFSA's applicable requirements.



**Mr. Neal Rossignaud**  
Director



**Mr. Jaime Agurruza Fatosme**  
Director



## **FCS Global Funds SICAV p.l.c.**

### ***Director's Report (continued)***

The Directors are responsible for ensuring that this report is available to the Company's investors. The financial statements of FCS Global Funds SICAV p.l.c. for the period ended 30 June 2017 are included in this report, which is published in hard-copy printed form and may be made available on the Investment Manager's website. Access to information published on the Investment Manager's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

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Director



**Mr. Jaime Agurruza Fatosme**  
Director

